Excise Duty on Cigarettes

5163. SHRI PIUS TIRKEY: Will the Minister of FINANCE be pleased to state:

(a) whether the Central excise duty on cigarettes is based on the length of the cigarette alone and is not co-related with the price;

(b) whether any cigarette manufacturer has reduced the length of the cigarettes during the last three years;

(c) if so, the details thereof;

(d) the loss of the Central excise duty per thousand cigarettes as a result thereof in each case; and

(e) how the Government propose to protect the loss of revenue on account of such manipulated practices of cigarette manufacturers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Central excise duty on both filter and non-filter cigarettes is based on the length of cigarette alone.

(b) Yes, Sir;

(c) The details, as available, are given in the attached Statement I.

(d) and (e). The manufacturer is free to alter the length of a cigarette. Details, as available, of the difference between duty levied on shortened cigarettes and duty that would have been levied but for such reduction are given in the attached Statement-II.

STATEMENT — I

Sl. No.	Name of Cigarette Company	Name of the Cigrettee brand	Length reduced		Date on which such reduction was made
			From	To	
1	2	3	4	5	6
1.	M/s. New Tabacco Com. Ltd., Calcutta	Cambridge Luxury (Filter Tipped) (CML)	75 mm	70 mm	08.01.90
2.	M/s. ITC Ltd., Bangalore	Gold Flake Honey Dew FilterTipped	72 mm	68 mm	26.07.91
3.	M/s. ITC Ltd. Munger	GoldFlake Honey Dew Filter Tipped	72 mm	68 mm	26.07.91
4.	Ms.Hydrabad Deccan Cigarette Factory (P) Ltd.Hydrabad	Gold Flake Honey Dew Filter Tipped	72 mm	68 mm	25.07.91

STATEMENT — II

Sl. No.	*Brand Name of Cigarette*	*Length reduced*		*Differential between duty levied on the cigarettes with reduced length and the duty that would have been levied out for such reduction, per thousand of cigarettes(year-wise)*		
		From	*To*	*89-90*	*90-91*	*91-92*
1	*2*	*3*	*4*	*5*	*6*	*7*
1.	Cambridge Luxury (Filter Tipped)	75 mm	70 mm	Rs. 170.40*	Rs. 180.70	Nil*
2.	Gold Flake Honey Dew Filter Tipped	72 mm	68 mn	Nil*	Nil*	Rs. 255.60@

* Redution was made from 8.1.90.

* No production of the cigarette with reduced length reported

@ Production of cigarette with reduced Length reported from 25th and 26th July, 1991.